

## Stark Opening Statement At Hearing on Medicare Programs For Low-Income Beneficiaries

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Representative Pete Stark (CA-13), Chairman of the Ways and Means Health Subcommittee, delivered the following opening remarks at today's hearing on financial assistance programs for low-income Medicare beneficiaries.

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### STARK OPENING STATEMENT AT HEARING ON MEDICARE PROGRAMS FOR LOW-INCOME BENEFICIARIES

WASHINGTON,  
D.C. -- Representative Pete Stark (D-CA), Chairman of the Ways and Means Health Subcommittee, delivered the following opening remarks at today's hearing on financial assistance programs for low-income Medicare beneficiaries.

"Medicare is and should always remain an entitlement for seniors and people with disabilities. We have a duty to ensure that the most vulnerable low-income Medicare beneficiaries are assured access to this entitlement. Recognizing this, I introduced the Medicare Catastrophic Coverage Act almost 20 years ago to this day (May 19) that -- among other things -- created what is now known as QMB ("quim-bee"). In fact, I think this one of the last vestiges of that Act.

"This is to say that we in this Committee have a history on these issues to protect and advance. Approximately 50 percent of persons over age 65 have incomes below \$20,000 a year. By the time you add up \$1,100 in Part B premiums, a \$131 Part B deductible that is rising more than inflation each year, more than \$300 in Part D premiums, a Part D deductible of up to \$265, and a couple hundred dollars or more in out-of-pocket costs, many beneficiaries are spending well over 10 percent of their already limited incomes on medical care.

“There are two major programs that target financial relief for low-income beneficiaries. The Medicare Savings Programs (MSP) — which are comprised of the QMB, SLMB (“slim-bee”) and QI (“cue-eye”) programs and help low-income beneficiaries pay Medicare premiums and cost-sharing — and the Low Income Subsidy (LIS) program to help beneficiaries pay for prescription drug costs under Part D.

“These programs provide vital financial safety nets for millions of Medicare beneficiaries. However, the programs are unnecessarily complex, and participation rates are unacceptably low. Estimates suggest that 3-4 million people are eligible — but not enrolled in — the Part D LIS. In the MSP, estimates are that only 40-60 percent of eligible low-income beneficiaries get the help to which they are entitled. The bottom line is that millions of people who could benefit from these programs do not, and I would wager it’s not because they don’t need or want the help. It’s because they don’t know it’s there.

“Improving the Low-Income Subsidy and Medicare Savings Plans is the most efficient and effective way to help the beneficiaries who need it most. Medicare Advantage plans would have us believe that they are the ones offering the most help to the most vulnerable. That’s simply not true. Medicaid, MSP and LIS are far and away the most important and comprehensive sources of supplemental coverage for low-income Medicare beneficiaries. Unlike Medicare Advantage, these programs protect the choices that matter to beneficiaries — choice of doctor and hospital — while fully subsidizing cost-sharing. No gamesmanship. No profiteering. Just straight up help. Done right, it’s a strategy that is equitable, efficient and effective.

“Today we will hear about the current state of these programs, and options for improving them. Simple changes to eligibility and enrollment rules coupled with strong outreach programs could help millions more beneficiaries get the financial support and medical care they need and deserve. I hope that my colleagues on the other side will join us in our efforts to do so this year.

“I look forward to hearing from my friend and colleague Rep. Doggett (TX-25) on the first panel. He will be joined by one of our new members Rep. Altmire (PA-04). These distinguished gentlemen will discuss legislation to improve the LIS program.

“On the second panel, CMS and SSA will tell us how these programs are running, and help us identify

opportunities for improvement.

“On the final panel, the State of Louisiana, and several advocate and beneficiary organizations will discuss the positive and negative aspects of the low-income programs, and what we can do to improve financial support for vulnerable beneficiaries. We’ll also hear from a beneficiary.

“I look forward to the testimony of all our witnesses, and I yield the floor to Mr. Camp for any opening statement he’d like to make.”